



MEMORANDUM

TO: INTERESTED PARTIES
FROM: ELIZABETH RADEMACHER – LIHTC MANAGER
SUBJECT: LIHTC ALLOCATION ACTIVITY
DATE: FEBRUARY 16, 2023

This memo is intended to provide potential applicants and stakeholders interested in Michigan's Low Income Housing Tax Credit (LIHTC) program with updates relating to the Michigan Qualified Allocation Plan (QAP) and updates to various application materials.

APPLICATION SUBMISSION

As stated in the 2022-2023 Qualified Allocation Plan (QAP), the MSHDA offices are not accepting hand-delivered applications. Applicants must submit their application electronically no later than 5:00pm Eastern time, April 3, 2023. The electronic application portal will be available after March 15, 2023, via the LIHTC website. To ensure all projects have access prior to the funding round deadline, please use the link on the LIHTC page of the MSHDA website to request a link to the project portal prior to March 27, 2023. Please note that MSHDA will not be accepting mailed applications for the April 3, 2023 funding round.

EDUCATION, HEALTH and WELL-BEING, AND ECONOMIC SECURITY UPDATE

As many are aware, Enterprise Community Partners retired the Opportunity360 platform on December 31, 2021. However, the 2022-2023 Qualified Allocation Plan (QAP) still uses the Education, Health and Well-being, and Economic Security metrics as a part of the scoring criteria. Enterprise has worked with MSHDA to provide a list of census tracts and Opportunity360 State Percentile Scores. MSHDA has updated this list as Tab Y of the Combined Application page. Any projects submitting in the April 2023 funding round should plan to use Tab Y as a resource if applying for the Education, Health and Well-being, and Economic Security points in the Scoring Criteria. Applicants must fill out the Scoring Criteria as applicable by the funding round deadline but are not required to include Tab Y with their application.

SCORING CRITERIA

As outlined in Section E.1. of the Scoring Criteria, the project data and inflation data used to determine the safe harbors within the Cost Reasonableness with Credit Efficiency section of the Scoring Criteria has been updated to reflect the rolling total of the previous five years, as new data is now available following completion of the October 2022 Funding Round.

MSHDA CERTIFICATIONS

Development teams should not make modifications to MSHDA certifications. This includes adding or removing language (except for completing signature blocks and/or explanations). Please use only the certifications provided in the Addendum I.

TEMPORARY NEGATIVE POINTS

As outlined in the Second Amendment to the 2022-2023 Qualified Allocation Plan, projects that received additional credit in the July 2022 funding round are subject to temporary negative points in the April 2023 funding round. These negative points should be self-scored under item C.3 (Temporary Point Reduction). Projects that received up to 5% of their original credit award in additional credit are subject to one negative point while projects that received up to 12% of their original credit award in additional credit are subject to two negative points.

RENT LIMITS

As of the date of this memo, HUD has not released 2023 rent limits. In the event they are released before the April 3, 2023 deadline, MSHDA does not plan to update the LIHTC application but will take the updated rent limits into consideration while reviewing the applications. The funding round submissions should substantially match the project as it was described in the Market Study and should include explanation of any variations.

OTHER UPDATES

Updates to various documents have been made and posted on MSHDA's website pertaining to the LIHTC Program Application. Please review these updated documents and utilize them in future application submissions.

QUESTIONS

If you have any questions regarding any of the above items, the April 2023 funding round, or any general LIHTC questions, please contact Elizabeth Rademacher at rademachere3@michigan.gov or (517) 290-6732.